

CenterPoint Intermodel Center

Elwood, Illinois

**"The Redevelopment of the Former Joliet
Army Ammunition Plant"**

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The Arsenal History

- Arsenal built in 1930's over 23,500 acres to produce TNT and other ammunitions for W W II, Korean conflict and the Vietnam War.
- Selection of Arsenal location critical then and now closely proximate to 2 interstate highways, 2 significant interstate rail corridors, availability of significant buffer property and several notable surface waters.
- Arsenal closed in 1976 eliminating thousands of jobs.

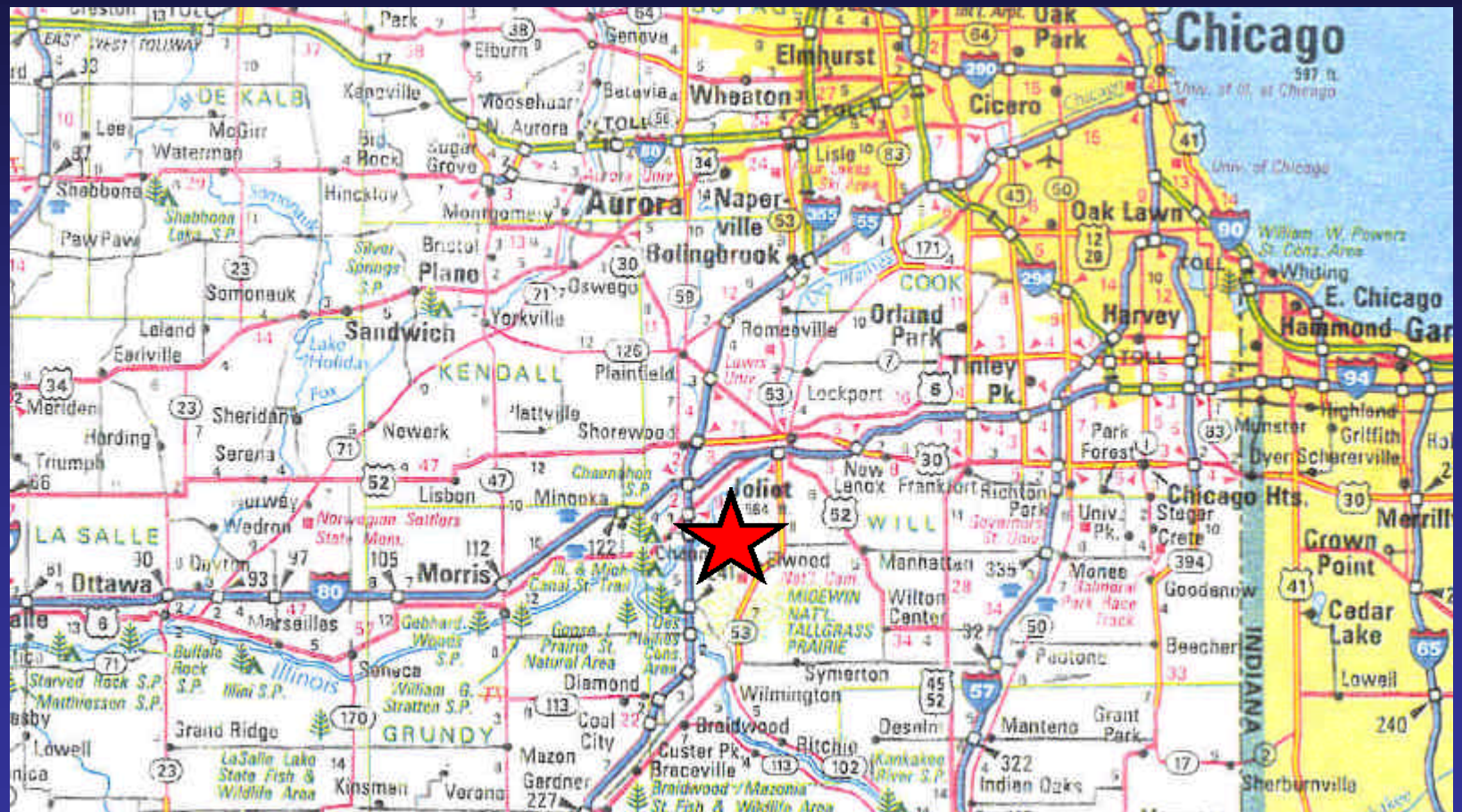


The Arsenal History

- Arsenal is later scored and added to the CERCLA National Priority List.
- Environmental remediation price tag projected at approximately \$100MM including soil, groundwater and sediment impact.



Chicago Location Map





The Redevelopment Blueprint

- The Illinois Land Conservation Act of 1995.
- The law designates a mixed reuse plan including:
 - Creation of Midewin Tallgrass Prairie (19,000 acres).
 - Development of the Abraham Lincoln National Veterans Cemetery (1,000 acres).
 - Redevelopment of the CERCLA parcels into industrial parks (3,000 acres).
- The law reinforces that CERCLA liability and any and all environmental obligations remain with DOD.



The Solution

- Reconfigure traditional Army sequential transfer process to operate in parallel.
- CenterPoint development targets over 2,000 acres to be subdivided and transferred from DOD as remediation is completed and consistent with development schedule.
- The phased delivery of parcels follows Army completion of remediation pursuant to 1998 ROD. Army modified its cleanup efforts to parallel development schedule.



The Solution

- Deed/MOA run with land and provide “PPA-like” assurances to downstream tenants, customers and lenders.
- Army boilerplate deed was modified to incorporate Army obligations for the 1995 law and was supplemented by MOA.
- MOA designed to clarify the administrative considerations as Army remediates parcels and transfers are instituted.



Project Summary

- 621-Acre, Class 1, Burlington Northern Santa Fe anchored, intermodal rail facility. The largest of its kind in North America.
- An estimated 17 million square feet of modern distribution, manufacturing and cross-dock terminal space.
- A commercial area for restaurants, hotels, truck stops and ancillary office facilities.
- A clean burning, gas-fired electric power plant will supply the customers of the park at a large discount to Com Ed rates



National Rail/Location Map



Line weight denotes rail traffic volume



Project Rendering



Aerial View



Site Plan





Diverse Tenant Demand

Potential industrial park customers include:

- ❑ Manufacturers
- ❑ Food Processors
- ❑ Warehouseurs
- ❑ Lumber Companies
- ❑ Paper Companies
- ❑ Injection Molding Companies
- ❑ Auto Distributors
- ❑ Logistics Firms





The Market

- The I-55 Corridor is Chicago's most active submarket in terms of new industrial development.
- This market has a total of about 29 million square feet of industrial space, over half of which has been built since 1995.
- It is Chicago's leader in terms of leasing volume with close to 6 million square feet leased in 1999.
- The I-55 Corridor has been the development leader for the past three years, surpassing its nearest rival by over 1,000,000 square feet in 1999.



The Market

- Two major transaction types driving the development of the I-55 and I-80 Corridors are:
 - *Large (250,000 + SF) blocks of space being absorbed by 3rd party logistics companies*
 - *Very Large (500,000 + SF) build-to-suit developments for corporate distribution requirements*
- These users are very attracted to the relatively low lease rates and real estate taxes in the area, as compared with other, more mature markets.



The Market

- The proximity to I-55, the North/South Tollway (355) and I-80 allows easy truck access to virtually any regional or national destination.
- When taken together as a whole, the I-80 and I-55 markets have been responsible for 33% of all new development in the Chicago Metropolitan area since 1997.



Competitive Advantages

- Price
- Rail served sites
- Direct access to intermodal
- Favorable and flexible zoning
- Best regional distribution location
 - *low congestion*
 - *access to at least 3 interstate highways within minutes*
- Potentially abundant and cheap power
- Potentially abundant and cheap water



The Competition

- Only one other park has rail access.
- Other parks will likely be full by the opening
- Anti-growth sentiment is taking hold in the I-55 corridor.
- NIMBY issues prevent other intermodal facilities and power plant zoning.
- Limited water access limits new park development.



Project Status

- CenterPoint closed on the first phase land transfer in August, 2000
- Announced 1 million plus square foot facility for DSC Logistics
- Initial infrastructure work began immediately after close
- Finalized negotiations for water and sewage treatment facility plants
- Mass grading well underway
- Delivery on schedule for Summer 2002



In Summary

CenterPoint Intermodal Center will:

- Attract out-of-state manufacturing and distribution tenants.
- Consolidate existing CenterPoint tenants into larger new facilities at Deer Run.
- Help Illinois maintain its position as the nation's rail traffic hub.
- Help solve the Chicago area's current rail traffic congestion problem.



In Summary

- Attract thousands of construction and permanent jobs.
- Bolster the local and regional economics, including commercial and industrial bases.
- Be developed in close cooperation with the neighboring Midewin Tallgrass Prairie and National Veterans Cemetery.

